

NATIONAL SECURITY COUNCIL

SECRET

INFORMATION

Army review completed

February 6, 1973

MEMORANDUM FOR:

MR. KISSINGER

FROM:

JOHN H. HOLDRIDGE

SUBJECT:

Sir Robert Thompson Report
from Saigon

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

MORI/CDF C05082547

Sir Robert's February 2 report to you from Saigon (Tab A) points out that the enemy has apparently focussed on strategic road blocking in an effort to isolate district and province towns in order to make maintenance of GVN control and economic revival difficult. Enemy violations are decreasing except for the northern front and the GVN is quite rightly working on the principle that it will rectify the pre-ceasefire situation where practicable.

Sir Robert takes note of the fact that there is a danger that the various commissions may now be spending all of their time wrangling about past violations rather than preventing new ones. Sir Robert says that while this would play into Communist hands, he assumes from the course of the negotiations and the terms of the agreement, that: "the effectiveness of the ceasefire depends less on enemy good faith and international supervision than on the underlying intention of the major powers to end overt semi-conventional war and to see that at least an appearance of peace is kept."

Sir Robert states that the morale of the people would gradually deteriorate if the GVN has to stay "rivetted on military operations." If, on the other hand, incidents can be kept to a lower terrorist level, then major attention can be directed to reconstruction and development as part of the political struggle which will follow.

Toward this end, Sir Robert strongly recommends additional economic aid of about \$100 million in 1973 to be devoted to rapid impact projects as well as care and rehabilitation of refugees, war victims and veterans. Such aid, according to Sir Robert, will generate local employment and assist the balance of payments while at the same time demonstrating

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our continued support, which will help to promote business confidence and maintain morale.

Gearing up for this new phase will be a "great problem" for Thieu, but Sir Robert remains confident that the vast majority of South Vietnamese are staunchly anti-Communist but have to be switched from military defense to a political and economic offensive. Concluding that "survival requires money, "Sir Robert says that he plans to arrive in Washington on Monday February 19 and will be available on the 20th through the 22nd of February.

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TO THE WHITE HOUSE

S E C R E T 021200Z FEB 73 VIA CAS CHANNELS

FROM: SIR ROBERT THOMPSON, SAIGON (065)

TO: DR. HENRY KISSINGER, THE WHITE HOUSE

1. ENEMY VIOLATIONS OF THE CEASEFIRE ALTHOUGH VERY HIGH ARE NO WORSE THAN I EXPECTED. YOU WILL HAVE RECEIVED DETAILS. EXCLUDING NORTHERN FRONT EMPHASIS ELSEWHERE SEEMS TO HAVE BEEN ON STRATEGIC ROAD BLOCKING RATHER THAN HAMLET GRABBING IN AN ATTEMPT TO ISOLATE DISTRICT AND PROVINCE TOWNS AND TO MAKE MAINTENANCE OF GVN CONTROL AND ECONOMIC REVIVAL DIFFICULT. INCIDENTS ARE NOW DECREASING AND I WOULD HOPE THEY WOULD TAIL OFF DURING COMING WEEK. THERE COULD, HOWEVER, BE FURTHER FLURRY OF HAMLET GRABBING WHEN ICCS TEAMS MOVE INTO CONTROL POINTS, BUT GVN IS QUITE RIGHTLY WORKING ON PRINCIPLE THAT THEY WILL RECTIFY THE PRE-CEASEFIRE SITUATION WHERE PRACTICABLE.

THERE IS DANGER THAT THE WHOLE TIME OF THE VARIOUS COMMISSIONS MAY NOW BE TAKEN UP WITH WRANGLING ABOUT PAST VIOLATIONS RATHER THAN PREVENTING NEW ONES. THIS WOULD PLAY INTO COMMUNIST HANDS AND WOULD NOT GIVE PEOPLE MUCH CONFIDENCE EITHER IN THE CEASEFIRE MACHINERY OR IN THE PROSPECT OF LASTING PEACE. IT WOULD PAY TO PUT THE MAJOR VIOLATIONS ON THE TABLE FOR THE RECORD AND THEN FORGET ABOUT THEM.

I HAVE, HOWEVER, ASSUMED FROM THE COURSE OF THE NEGOTIATIONS AND TERMS OF AGREEMENT THAT THE EFFECTIVENESS OF THE CEASEFIRE DEPENDS LESS ON ENEMY GOOD FAITH AND INTERNATIONAL SUPERVISION THAN ON UNDERLYING INTENTION OF MAJOR POWERS TO END OVERT SEMI-CONVENTIONAL WAR AND TO SEE THAT AT LEAST AN APPEARANCE OF PEACE IS KEPT.

CERTAINLY IF NVA CONTINUED MILITARY PRESSURE ON PERIMETER COUPLED WITH BOTH GUERRILLA TYPE DISRUPTION IN GVN AREAS AND THREATS OF OCCASIONAL MAJOR THRUST, GVN'S WHOLE ATTENTION WOULD STAY RIVETTED ON MILITARY OPERATIONS AND SECURITY, AND MORALE OF PEOPLE WOULD GRADUALLY DETERIORATE PARTICULARLY IN VIEW OF EXPECTATIONS ENCOURAGED BY CEASEFIRE. IF, HOWEVER, INCIDENTS CAN BE KEPT TO A LOWER TERRORIST LEVEL

*****WHSR COMMENT*****

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WHICH MOST PEOPLE EXPECT TO CONTINUE ANYWAY AND WHICH GVN CAN HANDLE, THAN MAJOR ATTENTION CAN BE DIRECTED TO RECONSTRUCTION AND DEVELOPMENT AS PART OF THE POLITICAL STRUGGLE WHICH WILL FOLLOW.

IN THIS RESPECT GVN REQUIRES IMMEDIATE BOOST TO GET THINGS GOING AND I STRONGLY RECOMMEND ADDITIONAL ECONOMIC AID OF ABOUT \$100M IN 1973 TO BE DEVOTED TO RAPID IMPACT PROJECTS, SUCH AS REPAIR OF ROADS, BRIDGES AND CANALS, RESTORATION OF SCHOOLS AND CLINICS, RESETTLEMENT OF REFUGEES AND REHABILITATION OF WAR VICTIMS AND VETERANS. SUCH AID WILL ALSO GENERATE LOCAL EMPLOYMENT AND ASSIST BALANCE OF PAYMENTS. MORE IMPORTANT, HOWEVER, DURING THIS FRAGILE TRANSITIONAL PERIOD, IT WILL ALSO DEMONSTRATE YOUR CONTINUED SUPPORT, HELP TO PROMOTE BUSINESS CONFIDENCE AND MAINTAIN MORALE.

IT IS GOING TO BE A GREAT PROBLEM FOR THIEU TO GEAR WHOLE GVN, ARVN AND THE PEOPLE FOR THIS NEW PHASE. IT REQUIRES COMPLETELY NEW ATTITUDE AND STYLE AND THERE WILL BE TENDENCY TO DRIFT AND STAGNATE. I AM CONVINCED THAT VAST MAJORITY ARE MORE STAUNCHLY ANTI-COMMUNIST, AS REPRESENTED BY PRESENCE OF NVA, THAN BEFORE. THEIR MINDS HAVE TO BE SWITCHED FROM MILITARY DEFENSE TO A POLITICAL AND ECONOMIC OFFENSIVE. GVN MUST TAKE EARLY INITIATIVE WITH POSITIVE CONSTRUCTIVE POLICIES AND ACTS. I HAVE FOUND MINISTERS AND GENERALS WELL AWARE OF THIS BUT AS ONE SAID: "SURVIVAL REQUIRES MONEY."

I WILL DEAL WITH LONGER TERM PROBLEMS AND PROSPECTS OF VIABILITY AND RECONCILIATION IN WRITTEN REPORT.

PALMER AND I PLAN TO ARRIVE WASHINGTON ON MONDAY, 19 FEBRUARY AND BE AVAILABLE 20TH THROUGH 22ND. E2 IMPDET.

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